

INFORMATION PAPER

Subject: FY 2012 Department of the Navy (DON) President's Budget Summary

1. Purpose. Provide summary of the FY 2012 DON President's Budget.
 - a. Budget Overview.
 - The FY 2012 baseline budget submission is \$161.4 billion for the Department of the Navy (DON). Our resources maintain readiness while continuing to institutionalize and enhance our capabilities to fight today's wars and the most-likely future conflict scenarios.
 - The FY 2012 baseline budget is \$0.8 billion over the FY2011 President's Budget request. It provides:
 - \$46.6 billion for Military Personnel
 - \$47.9 billion for Operation and Maintenance
 - \$45.8 billion for Procurement
 - \$18.0 billion for Research and Development
 - \$3.1 billion for Infrastructure
 - 325,700 Active Navy End Strength
 - 202,100 Active Marine Corps End Strength
 - 211,731 Civilian Personnel (Full Time Equivalents)
 - Maintains readiness and increases ship procurement to 55 across the Future Years Defense Plan (FYDP)
 - b. Efficiencies.
 - Included in the FY 2012 FYDP is \$35 billion in DON proposed efficiencies and \$7 billion in proposed Defense-wide efficiencies.
 - DON overhead efficiencies reflect the Department's efforts to Buy Smarter (\$17.3B), Streamline Organizations and Operations (\$15.4B), and Reduce Energy Consumption (\$2.3B).
 - Buy Smarter: Program Cancellations (\$5.5B), Contract Savings (\$4B), TOC (\$1B), and Warfighting (\$6.8B)
 - Streamline Organizations: Contractor Support (\$1.7B), Infrastructure (\$2.2B), Manpower (\$1.4B), Organization/HQ Consolidations (\$5.8B), and Readiness (\$4.2B)
 - Reduce Energy Consumption (\$2.3B).
 - FY 2012 DON efficiencies: DON \$4.3B; Defense-wide \$0.9B
 - Efficiencies cut across all appropriations and most programs
 - c. Overseas Contingency Operations (OCO).
 - \$15.0 billion funds incremental costs to sustain operations, manpower, equipment and infrastructure repair, as well as equipment replacement.

d. FY 2012 Budget Highlights

- Deployable battle forces of 288 ships in FY 2012, including 11 aircraft carriers and 30 large amphibious ships.
- The FY 2012 budget continues investment in platforms and systems that maintain our advantage against future threats and across the full spectrum of operations to include:
 - Littoral Combat Ship (LCS)
 - Intelligence, Surveillance and Reconnaissance (ISR)
 - Unmanned Aerial Vehicles (UAVs)
- Ship procurement funds 10 new construction ships in FY 2012 and 55 ships across the FYDP
- Aircraft procurement funds 227 airframes in FY 2012 (including 4 for OCO) and 973 airframes across the FYDP
 - JSF has been restructured including a 2-year “probation” for the STOVL version.
 - F/A-18 E/F quantities are increased by 41 to compensate for JSF delays.
- The Navy’s FY 2012 allocation of O&M resources is tightly focused on meeting increased Combatant Commander OPTEMPO requirements, properly sustaining and maintaining ships and aircraft to reach expected service lives, sustaining flight hours readiness requirement in the base budget, and funding price increases.
- Military basic pay is increased by 1.6 percent; no adjustment to civilian pay.
 - Individual Augmentees (IA) previously funded in OCO are now funded in the base program (3,836)
 - Marine Corps strength will draw down by 15 to 20 thousand by the end of FY 2016 as events in Operation Enduring Freedom permit
- Demonstrated commitment to our investments in science and technology, cyberspace capabilities, base closure, and family housing is maintained.
- Total DON Efficiencies

\$M	FY 2012	FYDP
DON Proposed	-4,302	-35,070
Defense-wide	-932	-7,153
INVEST	0	-17
Front End Assessment:Personnel	0	-1,539
Front End Assessment:Logistics	-11	-391
Manpower Freeze	-522	-2,878
Service Support Contractors	-111	-774
Fourth Estate Baseline Review	-14	-81
SES/GO/FO	0	-37
IT Infrastructure	0	0
Reports/Studies/Boards	-25	-95
Intelligence	0	0
BTA Disestablishment	0	0
NII Disestablishment	0	0
JFCOM Disestablishment	-249	-1,341
Total DON Efficiencies	-5,234	-42,223

\$M	FY 2012	FYDP
Buying Smarter		
Cancellations	-566	-5,517
Contract Savings	-460	-3,981
TOC	-60	-984
Warfighting	-407	-6,819
Subtotal	-1,493	-17,301
Streamlining		0
Contract Support	-202	-1,683
Infrastructure	-893	-2,245
Manpower	-275	-1,449
Org Consolidations	-601	-5,839
Readiness	-273	-4,208
Subtotal	-2,243	-15,425
Energy		0
Energy Efficiencies	-566	-2,344
Subtotal	-566	-2,344
Total DON Proposed	-4,302	-35,070